



REQUEST FOR QUALIFICATIONS

Professional Services for Water and Sewer Rate Studies

City of Mt. Shasta
305 N. Mt. Shasta Boulevard
Mt. Shasta CA 96067

Released: June 15, 2016

Proposal Deadline: July 15, 2016

Project funded by State Water Resources Control Board
Clean Water State Revolving Fund and Drinking Water State Revolving Fund

NOTICE OF REQUEST FOR QUALIFICATIONS

Professional Services for Water and Wastewater Utility Rate Study

The City of Mt. Shasta (hereinafter "CITY") is soliciting Requests for Qualifications for a Water and Wastewater Utility Rate Study. The City will receive proposals in City Hall, 305 N. Mt. Shasta Boulevard, Mt. Shasta, California, up to the hour of 4:00 PM, Friday, July 15, 2016.

1. The services to be performed by the successful proposer are described in the Request for Qualifications. Copies of the Request for Qualifications are available from the CITY at:

City Hall
305 N. Mt. Shasta Boulevard
Mt. Shasta CA 96067
(530) 926-7510

2. All responsive proposals shall be reviewed and evaluated by the CITY in order to determine which proposer best meets the "CITY's" needs for each of the "PROJECTS". The criteria by which the "CITY" shall evaluate proposals are set forth in the Scope of Work.
3. The "CITY" reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process.
4. Since solicited services are to be funded with SWRCB program funds, federal laws and regulations require that all contracts with consultants adhere to all applicable requirements relating, but not limited to, nondiscrimination, equal opportunity, environmental protection, and utilization of small business concerns.
5. The CITY reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process.



Paul Eckert, City Manager



Date

REQUEST FOR QUALIFICATIONS

Professional Services for Water and Wastewater Utility Rate Study

I. Background Information

The CITY is seeking Request for Qualifications (RFQ's) from qualified firms for professional services to provide a cost-of-service and rate study for its Water and Wastewater Utility Enterprise Funds to classify and allocate capital investment costs, operating expenses, reserve requirements, and all other financial obligations by major functions, including incidental and related work.

The CITY desires to perform rate studies for both its water and wastewater enterprise funds for the purpose of establishing a fair apportionment of costs to its customers. The CITY recently installed water meters which will allow the transition from a flat rate water charge to usage based billing. It has also been established that in order to complete the CITY's State-Funded Wastewater Treatment and Disposal Improvement Project, wastewater rates need to be increased.

II. Delivery of RFQ

It is the Proposer's responsibility to ensure that the RFQ is received by the City prior to the hour and date for the opening of the proposals specified in the Notice of Request for Qualifications. Any proposals received by the City after the hour and date shall be rejected and returned unopened.

III. Format of RFQ

All submittals shall be typewritten or printed in ink clearly and legibly, in conformance with the Request for Qualifications and submitted in an envelope plainly marked on the outside: "Proposal for City of Mt. Shasta Water and Wastewater Rate Studies". Three 3 copies of the proposal are required.

IV. Quality of Submission

Unnecessarily elaborate or glossy statement of qualifications are neither expected nor desired. The emphasis of the submittal should be on responding to the requirements set forth in this Request.

V. Contents of Submission

The proposer shall include in its proposal, at a minimum, the following information presented in a clear and concise format, in order to demonstrate the Submitter's related experience, competence and professional qualifications for the satisfactory performance of the services outlined in the Project "Scope of Work" section of this Request for Qualifications.

- a) A cover letter summarizing the key points of the Statement of Qualifications
- b) A list of the most recent projects for which the Submitter Project Team has performed services of similar size, scope, and complexity. This list shall include the name, contact person, address, and phone number of each party for whom the service was provided, as well as a description of the services performed, project type, the dollar amount of the contract, and the date of performance.
- c) A list of the Submitter's principals, employees, agents, and subconsultants (project team) which the proposer anticipates assigning to this Project. This list shall include a summary of the qualifications, licenses, and experience of each individual; the approximate number of hours each will devote to the PROJECT; and the type of work to be performed by each individual. The CITY will retain under its Agreement with the successful Proposer the right of approval of all persons performing under the Agreement.
- d) A statement which discloses any past ongoing or potential conflicts of interest which the Submitter may have as a result of performing the work on this project.
- e) A copy of an insurance certificate or a letter of intent to provide insurance from the issuing company (including a description of types of coverage and dollar amount limits) may be favorably considered. Minimum insurance requirements are as follows: General Liability: \$2,000,000 per occurrence, \$4,000,000 aggregate; Automobile: \$1,000,000 combined single limit; Workers Compensation and Employer's Liability: \$1,000,000 per accident; and Professional Liability or Errors and Omissions Insurance \$1,000,000 per claim and \$2,000,000 aggregate.
- f) The proposal must be signed by an authorized representative of the Proposer.
- g) The proposal must be accompanied by proper documentation of valid California ENGINEERING license(s) necessary to complete the project.

This is a prevailing wage project. The selected firm shall pay, and shall require subconsultants to pay, appropriate prevailing wage as set forth in the current wage determination and wage standards for the State of California. In accordance with Section 1775 of California Labor Code, The selected firm shall pay such penalties and incur such costs as described therein and as are more particularly determined by the Labor Commissioner, in the event of any violation of the foregoing requirement. In addition to the foregoing, the selected firm and its subconsultants shall pay to persons employed in the performance of the services no less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the Labor Code. Copies of the prevailing rate of per diem wages are on file at City's principal office and are available for examination by any interested party on request, during normal business hours. The selected firm shall keep and submit to the City, on a weekly basis an accurate certified payroll record showing the name, address, Social Security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each worker or other employee employed by the selected firm.

VI. Interpretations of the Request for Qualifications

If the Proposer is in doubt as to the meaning of any part of the Request for Qualification, or finds discrepancies in or omissions from the Request for Qualification, the Proposer shall submit to the CITY a written request for an interpretation or clarification a minimum of 48 hours prior to the time for opening qualifications. All such requests should be addressed to the CITY at:

City of Mt. Shasta
305 N. Mt. Shasta Boulevard
Mt. Shasta, CA. 96067
Attn: Muriel Terrell, Grant Manager (530) 926-7523

or via e-mail at mterrell@mtshastaca.gov

The CITY shall not be responsible for any explanations or interpretations of the Request for Qualification other than by written addendum delivered to each Proposer. No oral interpretations of any provision in the Request for Proposals shall be binding upon the CITY.

VII. Review of Proposals and Evaluation

After the Proposals are received and opened by the CITY, a selection committee shall review and evaluate the Statement of Qualifications for responsiveness to the Request for Qualifications in order to determine whether the Proposer possesses the professional qualifications necessary for the satisfactory performance of the services required. The CITY shall also investigate qualifications of all proposers to whom the award is contemplated, and the CITY may request clarifications of proposals directly from one or more Proposers. It is anticipated that this review period will last up to approximately 2-3 weeks. In reviewing the proposals, the CITY will consider the following:

1. The Proposer's understanding of the proposed project.
2. The experience and past performance of the Proposer and its agents, employees, and subconsultants (project team) in completing projects of similar type, size and complexity. The CITY will consider Proposer's timely and accurate completion of similar projects within budget.
3. The feasibility of the proposal based upon the performance, delivery schedules and the methodology to be used by the Proposer. This includes a demonstration of the dedication of resources to undertake and complete the Scope of Work within a reasonable time and within budget.
4. The Proposer's responsiveness to the Request for Qualifications, and clarity and creativity in their proposal.

After completion of the review of the qualifications, the CITY shall score all firms based on demonstrated competence and qualifications in accordance with established/advertised criteria. The scoring criteria are as follows:

- | | |
|--|-------------|
| 1. Understanding of work to be done | (25 points) |
| 2. Quality of past performance on similar projects | (20 points) |
| 3. Qualifications of individuals within the Consultant's
Organization directly responsible for the work | (20 points) |
| 4. Knowledge of local conditions and project area | (10 points) |
| 5. Familiarity with state and local procedures | (25 points) |

The selection committee will be comprised of the City Manager, the City Finance Director, Two members of an Ad-Hoc committee and others as directed or designated by the City Council. The

highest total point score will enter into negotiations to be awarded the contract. The Selection Committee results will only be available through submission of a public records request to the City Hall at (530) 926-7510 and after contract acceptance by the City Council.

VIII. Award of Agreement

Upon completion of the review period, the CITY shall notify the Proposer selected for the Project. The proposer so notified may be required to provide specific documentation to the CITY. Any delay caused by the Proposer's failure to respond to direction from the CITY may lead to a rejection of the Proposer.

1. If the CITY decides, after evaluation and negotiation, to award the Agreement, a contract shall be sent to the successful Proposer for the Proposer's signature. No proposal shall be binding upon the CITY until after the Agreement is signed by duly authorized representatives of both the Proposer and the CITY.
2. The CITY reserves the right to reject any or all proposals and to waive any irregularities prior to the execution of the contract.
3. Appeals of the award decision must be made, in writing, to the City Manager of the City within 5 days after being notified of our decision. A review of your appeal will be made by the City Mayor and the City Manager within 5 days of the receipt of the appeal and their decision shall be final.
4. The successful Proposer will be required to obtain a City of Mt. Shasta Business License.

IX. Scope of Services

The Scope of Work (Exhibit A) set forth in this Request for Qualifications represents an outline of the services which the CITY anticipates the successful proposer to perform, and is presented for the primary purpose of allowing the CITY to compare proposals. The precise scope of services to be incorporated into the Professional Services Agreement shall be negotiated between the CITY and the successful Proposer.

EXHIBIT “A”

CITY OF MT. SHASTA SCOPE OF WORK RATE STUDIES FOR WATER & SEWER ENTERPRISE FUNDS

SCOPE OF WORK

The City of Mt. Shasta desires to perform rate studies for both its water and sewer enterprise funds for the purpose of establishing a fair apportionment of costs to its customers. Below is a Scope of Work for performing a water and sewer rate study and includes six (6) workshops with a citizen’s committee consisting of two council members and up to three (3) citizens. Separate study reports will be prepared in order to satisfy anticipated funding requirements.

TASK 1 – GATHER INFORMATION AND KICK-OFF MEETING

Review all background data including the following:

- City’s current water and sewer rate structures, development impact fees, and connection fees.
- Review FY 2014-15 & FY 2015-16 budgets, including any future budgets. Review actual versus budgeted numbers.
- Audited FY 2014-15 financial statement.
- One year water consumption, by customer.
- One year of sewer rates, by customer.

Consultant shall attend an initial project coordination meeting with City staff and Committee to outline the approach for completing this project, as well as the committee’s goals for the final rate study. At this meeting, discuss the ideas for funding future capital improvements through use of utility rates. For example, will the City desire to accumulate funds to perform improvements on their own or will there be allowances built into the rates to make debt service payments on future long-term loans to fund future improvements, or will there be a combination of both approaches.

TASK 2 – EVALUATE ENTERPRISE FUND FINANCIALS & BUDGETS

Based on the past and future budgets, audited financials, and input from City staff and the committee, consultant shall prepare a spreadsheet summary of the City’s current financial position based on the City’s current rate structures, utility fees, operation expenses, capital costs, revenue streams, reserve funds, and billing systems.

EXHIBIT “A”

CITY OF MT. SHASTA SCOPE OF WORK RATE STUDIES FOR WATER & SEWER ENTERPRISE FUNDS

TASK 3 – EVALUATE CURRENT AND POTENTIAL WATER RATE STRUCTURES

The City has only had individual water meters since October 2015. Water consumption records from that time until Notice to Proceed will be provided for consultant’s use. Before the rate studies are completed, the City will have an entire year of water consumption data, which will be conveyed to the consultant. The Consultant shall utilize an entire year of water consumption data before finalizing the rate study recommendations. Using the City’s historical water consumption data, prepare up to three scenarios for future potential revenue accumulation based on water rate structures from similar facilities. Once these draft scenarios are completed, meet with City staff and the Committee to discuss and evaluate. The scenarios may be modified based on committee input, but the hope will be that collective agreement can be made on one or two scenarios to present in a public workshop.

Factors that will be considered in developing the rate structure scenarios are as follows:

- How much water and associated charges to include in the base water rate?
 - Consider impacts to low-use water customers if the base rate is too high.
 - Consider differences between residential and commercial customers.
- Evaluate impacts to revenue streams by modifying the base and variable tiered water rates.
- Consideration of a water rate base charge based on meter size, using a “meter capacity” or “meter cost” approach.
- Consideration of a consumption rate schedule that considers a “uniform” or “increasing” tiered rate structure.
- Implementation of a small set-up fee to cover City costs associated with a change of ownership or new service set-up.
- Provide comparison data of the City’s current and future water rates relative to similar agencies throughout northern California.
- Develop a financing plan to implement capital improvements within the water utility. The existing Master Plan will be used for this purpose, along with input from operations staff.
- Evaluate strategies for funding O&M, capital reserves, and debt service reserves.
- Evaluate the City’s growth projections and inflationary adjustments and recommend appropriate modifications.

The goal for this effort will be to work closely with staff and the Committee so the final study results are meaningful to the City.

TASK 4 – EVALUATE CURRENT AND POTENTIAL SEWER RATE STRUCTURES

Factors that shall be considered in evaluating existing and future user rates are as follows:

EXHIBIT “A”

CITY OF MT. SHASTA SCOPE OF WORK RATE STUDIES FOR WATER & SEWER ENTERPRISE FUNDS

- Single-family residences are typically assigned one household equivalent based on the flow from a typical household. Multi-family, commercial and industrial connections are charged based on wintertime water consumption – typically an average of the months, January, February and March. Wintertime water consumption is primarily limited to water which is discharged to the sewer. However, this varies between customers and needs to be evaluated on a case-by-case basis. Also, consideration should be made to the fluctuating occupancies of the City’s non-residential customer, i.e. lower hotel occupancy rates in the winter, etc.
- Implementation of a small set-up fee to cover City costs associated with a change of ownership or new service set-up.
- Provide comparison data of the City’s current and future sewer rates relative to similar agencies throughout northern California.
- Develop a financing plan to implement capital improvements within the wastewater utility.
- Evaluate strategies for funding O&M, capital reserves, and debt service reserves.
- Evaluate the City’s growth projections and inflationary adjustments and recommend appropriate modifications.

Similar to the water rates, the goal for this effort will be to work closely with staff and the Committee so the final study results are meaningful to the City.

TASK 5 – PUBLIC WORKSHOPS

Consultant shall attend up to six (6) public workshops with the citizens’ Committee throughout development of the two studies. Consultant shall assist the City with preparing applicable agendas for each meeting. PowerPoint or other visual aid tools will be utilized during the workshops. The information will be presented in graphical, as well as tabular form to make it as clear as possible to the Committee and attendees. Public comment and suggestions will be taken and noted. Workshops will be scheduled at roughly one-month intervals or as the Committee deems necessary.

TASK 6 – PREPARE DRAFT RATE STUDY

Based on public comments and subsequent direction from City staff and the Committee, a written report for each utility shall be provided to the City for final comment. Ten (10) copies of each draft report will be submitted for review. Consultant shall incorporate comments in the draft and prepare a final report. The reports will generally contain the following elements:

EXHIBIT “A”

CITY OF MT. SHASTA SCOPE OF WORK RATE STUDIES FOR WATER & SEWER ENTERPRISE FUNDS

- Current and historical utility rates and expenditures
- Utility Rate Development
 - Revenue requirements
 - Cost of service analysis
 - Utility rate design
 - Multi-year financial plan guidelines
 - Proposed rates
 - Proposed non-rate related changes

TASK 7 – CITY COUNCIL PRESENTATION

Present the Final Rate Studies to the City Council.

TASK 8 – DELIVERABLES

Deliverables shall include the following:

Number of Copies

- | | | |
|----|----------------------------|---------|
| A. | Rate Study Reports - Draft | 10 each |
| B. | Rate Study Reports - Final | 20 each |